

# The Retirement Connection

A Newsletter for New Hampshire Retirement System's Retirees • Summer 2004 • Number 6



## COLAs

### COST-OF-LIVING ADJUSTMENTS

The cost-of-living adjustments are granted by the Fiscal Committee of the New Hampshire Legislature. They become a permanent addition to a retired member's pension. Members are entitled to receive a COLA if they have been retired for *at least* 12 months prior to July 1, 2004. Any beneficiary of such a member is also eligible.

Members whose effective date of retirement was on or before July 1, 2003, are eligible for the COLA increase. COLA's are retroactive to one's most recent retirement anniversary date. However, for those who retired on July 1, there is no retroactive payment as July is the most recent retirement anniversary date.

The following example details how a member may qualify for a retroactive COLA: A member, who retired on April 1, 2003, has been retired for 15 months.

Effective July 1, 2004, that member is eligible for the new COLA rate. That member's July pension check will include the COLA as well as a one-time retroactive payment of the COLA back to April 1, 2004, which is that member's most recent retirement anniversary date. The retiree's next payment issued on August 30, 2004, will represent their *new* total benefit, which includes the new COLA rate.

**NOTE:** It is possible that some retired members, who are eligible for the COLA increase, may not see a net increase in their monthly benefit. One reason might be that the cost of some medical insurance premiums have increased at a faster rate than the medical subsidy and the COLA. Changes in federal withholding taxes can be another reason for benefits to be less than expected (see "Tax" article on pg. 2)

### Cost of Living Adjustments for 2004-2005

Employees	1%
Teachers	1%
Police Officers	1%
Firefighters	2.5%

### Medical Subsidy Rates

July 1, 2004 - June 30, 2005

#### Retiree Plan (age 60-64)

1 Person	\$298.13
2 Person	\$596.26

#### Medicare Supplement Plan (age 65+)

1 Person	\$188.02
2 Person	\$376.04

#### What is the Medical Subsidy?

NHRS contributes monthly to the cost of health insurance premiums for eligible retirees, their spouses and certifiably disabled dependent children. The rates above reflect the payment made by NHRS to former employers of eligible retirees.

#### Change in Marital/Family Status

NHRS and former employers must be notified of the following:

- The retired member's divorce
- Remarriage of a surviving spouse who is receiving an Ordinary or Accidental Death Benefit
- Death of a retiree, spouse or certified handicapped child

If you retired from a municipality, county, school district, or other political subdivision, please notify that employer. If you are a former state employee, please notify NHRS.

**NOTE:** Failure to notify NHRS may result in a recovery of overpayments.

## Did you Choose an Option 4 - “Pop-Up?”

If you selected an option 4 “pop-up” joint and survivor benefit at the time of your retirement, the New Hampshire Retirement System (NHRS) asks that you (the retiree) notify us if your designated beneficiary pre-deceases you. We understand the sadness of this event; however NHRS has no way of knowing when a death occurs and relies on this information to be supplied by you. Far too often, the NH Retirement System becomes aware that a retired member’s beneficiary has died prior to the member only at the time of the member’s own death.

If you have chosen either option 4A, B or C, please remember that if your beneficiary should pass away, the change in your benefit will only occur by providing our office with the appropriate death certificate. Without this notice, your benefit will fail to “pop up” to the maximum allowance that you would have received had you not elected an option.

Please send notification to the attention of Darlene Martin, New Hampshire Retirement System, 4 Chenell Drive, Concord, NH 03301. If you have any questions, you may contact Ms. Martin at (603) 271-3351, ext. 239.

If you are approaching age 65, please contact Medicare to inquire about your eligibility for coverage. If you are eligible to receive Medicare A and B, your retiree health insurance carrier may provide you with a supplemental plan. A supplemental health insurance plan pays the balance of a medical claim after Medicare has paid their portion.

It is important that you enroll in Medicare, when eligible, to insure proper processing of your insurance claims. Medicare’s toll free number is 1-800-633-4227.

If you are on *Social Security Disability*, you will be enrolled in Medicare after receiving disability benefits for two years. Please contact NHRS upon becoming Medicare eligible, as we are unable to determine who is receiving these benefits. If you are qualified for a Medical Subsidy, the amount of your subsidy will be changed to the related Medicare amount.

## Changing Your Tax Withholding

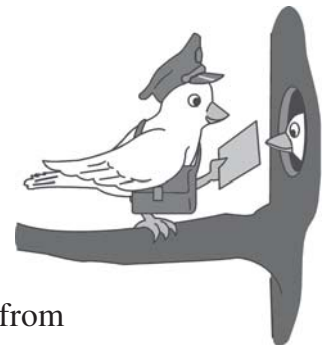
Retirees may update their federal withholding election at any time. There are two options available – no withholding of taxes or withholding based on marital status and the number of allowances claimed. Those who choose the second option may also elect to have an additional specific dollar amount withheld, to help offset their tax liability.

You may obtain W-4P forms by contacting NHRS, at x241, or by calling the IRS, at 1-800-TAX-FORM. We suggest that you consult a tax advisor for any questions you may have concerning withholding elections. However, if you would like help in completing the W-4P form, please contact the annuity department, at x241.

## HAS YOUR NAME OR ADDRESS CHANGED?

To receive a Change of Address/Name form:

- Contact NHRS, at (603) 271 - 3351 x272, or
- Download the form from the NHRS web site:  
[www.state.nh.us/retirement](http://www.state.nh.us/retirement)



### New Hampshire Retirement System

4 Chenell Drive  
Concord, NH 03301-8509  
603-271-3351 or toll-free: 877-917-6477

### Extensions for NHRS services:

Retirement Pension Questions ..... x281  
Medical Subsidy ..... x242 or 243  
Electronic Direct Deposit ..... x244  
General Information and Publications ... x272

[www.state.nh.us/retirement](http://www.state.nh.us/retirement)

# It's springtime again and people are on the move!

Before you leave for your vacation you might want to consider direct deposit for your annuity check. This will allow you to have your annuity payment deposited directly into your bank account while you are away from home, and you can access it wherever you go.

**HERE'S HOW IT WORKS.** If you decide to use direct deposit, you will still receive a statement letting you know how much to expect; but, your pension will be placed directly into your bank account. This deposit will take place on the last business day of each month. Deposit dates for 2004 are as follows:



May 28, 2004	June 30, 2004	July 30, 2004	Aug. 31, 2004
Sept. 30, 2004	Oct. 29, 2004	Nov. 30, 2004	Dec. 30, 2004

Why wait for your check to be delivered before you leave for the sunny shores of Florida or the cool climate in Canada? Why worry about your check while you are trying to enjoy your week away from home - is it in the mailbox, or on your hallway floor, or has your dog eaten it? With direct deposit your funds will be available to you on the last business day of the month, wherever you use your ATM card!

All you have to do is fill out and sign the request form below, providing us with your checking or savings account information, and we will do the rest!

Contact the Annuity Department, at (603) 271-3351 x 244, if you have any questions.

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## NEW HAMPSHIRE RETIREMENT SYSTEM

4 Chenell Drive, Concord, NH 03301-8509  
(603) 271-3351 or toll-free: (603) 877-917-6477

### Check One



- ☐ New  
☐ Change  
☐ Delete

## ELECTRONIC DIRECT DEPOSIT AUTHORIZATION FOR RETIREES

PLEASE PRINT

LAST NAME	<input type="text"/>	FIRST NAME	<input type="text"/>	MI	<input type="text"/>					
SOCIAL SECURITY NUMBER	<input type="text"/>	<input type="text"/>	<input type="text"/>	—	<input type="text"/>	<input type="text"/>	—	<input type="text"/>	<input type="text"/>	<input type="text"/>

I hereby authorize the New Hampshire Retirement System (NHRS) to make net payroll deposits to my account as indicated below. NOTE: It takes 45 to 60 days from the date NHRS receives your direct deposit form, because there must be a "pre-note" test of the delivery first. This means that you will receive at least one payment by mail. Upon successful completion of the pre-note process, the following month's payment will be automatically deposited in your account.

<b>FINANCIAL INSTITUTION (not available in foreign countries)</b>	<b>Check One</b>
<b>TRANSIT ROUTING NUMBER AND ACCOUNT NUMBER</b>	<input type="checkbox"/> Savings
	<input type="checkbox"/> Checking
Example:  (Lower lefthand corner of check)	
<b>Attach a voided check here - this will be used to verify your bank transit routing and account number</b>	
<b>YOUR SIGNATURE</b>	<b>DATE</b>

## Safeguard Your Identity

Identity theft is often in the news these days. It occurs when someone steals your identity by using basic information about you obtained from your everyday transactions. Identity thieves can then use your Social Security number, credit card numbers and bank account numbers to obtain goods and services for themselves. This fraudulent activity can damage your reputation and/or credit. The best way to fight this crime is to avoid becoming a victim in the first place. Here are some tips on how to prevent identity theft:



- ✓ Keep accurate records and review your financial statements upon receipt.
- ✓ Request credit reports from the three national credit bureaus annually.
- ✓ Be careful to whom you release your Social Security number, credit card numbers, address, and phone number.
- ✓ Establish secure passwords for telephone or online transactions.
- ✓ Keep your financial records in a secure/fireproof place.
- ✓ Record your credit card numbers and relevant customer service phone number for easy access.
- ✓ Choose Personal Identification Numbers (PINs) and passwords carefully, and change them frequently.
- ✓ Shred or destroy all outdated financial statement and receipts.

With the growth of identity theft, NHRS is concerned about protecting your identity too. If you suspect that your identity has been stolen, you should call the Federal Trade Commission's Identity Theft Hotline, at (877) 438-4338.

*This issue of the Retirement Connection provides general information available as of July 1, 2004 for NHRS retirees. Members are encouraged to contact an NHRS representative with specific questions. In the event of any conflict between this publication and the laws, rules and regulations that govern NHRS, the laws, rules and regulations will prevail.*